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and happiness of the child and its future earning capacity ; to the economic status of the adults who are compelled to compete with these children ; and to the community itself, which must support the broken-down victims of premature labor and perhaps also their ill-nourished progeny, and must also, if its government be democratic, face the dangers of an uneducated, discontented and inflammable body of citizens—in view of these evils it would seem that the remedy proposed by Mrs. Kelley and her associate is entitled to respectful consideration, although to very many readers it will seem to savor far too much of paternalism. They say :

The legislation needed is of the simplest but most comprehensive description. We need to have : (1) The minimum age for work fixed at sixteen ; (2) School attendance made compulsory to the same age ; (3) Factory inspectors and truant officers, both men and women, equipped with adequate salaries and traveling expenses, charged with the duty of removing children from mill and workshop, mine and store, and placing them at school ; (4) Ample provision for school accommodations ; money supplied by the state through the school authorities for the support of such orphans, half-orphans and children of the unemployed as are now kept out of school by destitution.

They ask if such provision would not

be vastly cheaper in the end than the care of the consumptive young grinders ? or than the provision which will be inevitably required for the support of the cripples turned out by the stamping works ? or than the maintenance of the families of those who will be superannuated at thirty-five because they are now allowed to do in the clothing shops the work of men, in the years when they ought to be laying up a store of energy to last a normal lifetime ?

This is a hard question ; and it is in raising such questions as this, which the facts brought to light make very practical and urgent, that the value of these essays lies.

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Zur Frage der Arbeitslosen-Versicherung. By Dr. GEORGE SCHANZ. Bamberg, C. C. Buchner, 1895. — x, 384 pp.

Dr. Schanz, editor of the *Finanz-Archiv* and author of numerous monographs on industrial and commercial history, among which is *Englische Handelspolitik gegen Ende des Mittelalters*, has recently made a thorough-going inquiry in regard to the conditions of non-employment. Of late years insurance has been turned to in Germany as a remedy for many of the evils affecting the

workman, as witnessed in the three great schemes already adopted for insurance against accident, sickness and old age. Now there is substantial agreement in Germany in favor of the first of these; there is fairly strong support, both practical and academic, of the second; while as yet there is no unanimity of opinion in regard to the third. Nevertheless, even this last experiment is making converts, so that it is no wonder that insurance is regarded by some as the universal solvent for industrial ills. Such a remedy for the evil of non-employment is being seriously discussed on the Continent, and has been the more approved by many because of the apparent success of the out-of-work benefit in trades-unions. Outside of the experience of these organizations, there is little material for study save the results of a few isolated and on the whole unsatisfactory schemes recently tried in three or four Swiss cities, as in Berne and Basle. Such experience as there is, however, in the way of insurance for non-employment, Dr. Schanz has diligently studied. His inquiry covers particularly the experience of trades-unions in England, and of the *Gewerkvereine* and *Gewerkschaften* in Germany; and the statistical exhibits bearing upon this branch of their work are complete and satisfactory. As yet the out-of-work benefit has been but little developed in Germany; and, for that matter, benefits of any sort have found but little place in workingmen's organizations in that country. The total amount expended in benefits in 1894 by eighteen *Gewerkvereine* having 67,058 members was but 73,050 marks, or about thirty cents per member; and of this less than one-half was strictly *Arbeitslosen-Unterstützung*. For the *Gewerkschaften* no more can be said.

The question of the practicability and expediency of generally instituting such insurance applicable to all classes of the working population is first considered, and is answered by Dr. Schanz in the negative. From the technical standpoint fundamental objections arise; for in non-employment we do not have to deal with a succession of industrial phenomena of sufficient uniformity in character and regularity of sequence to admit of framing definite provision for the future. This is a point which needs to be more carefully kept in mind in all the loose discussion that is now going on in regard to insurance. For successful insurance projects it is necessary that the losses insured against should have a regularity sufficient for prediction; and experience shows that there is such regularity in the occurrence of deaths, fires, accidents, and even of sickness. This has not yet been discovered in the recurrence of

cases of non-employment as a whole, although it may be found in a few occupations of a certain fixed type. In another respect insurance against non-employment differs radically from insurance against death, sickness or accident. In these latter cases we are dealing with risks constantly diminishing; in the former we are dealing with a risk apparently growing more and more serious. Society constantly produces new conditions making for non-employment which not even the acutest student of industrial life can foretell. Changes in international trade relations, to say nothing of domestic fluctuations, make an everlasting industrial flux. Again, it is a cardinal principle in insurance that a benefit should not accrue to one who is intentionally responsible for the loss. In case of non-employment, it would be well-nigh impossible to determine the amount of the workman's responsibility or his good faith in endeavoring to seek new employment. Trades-unions recognize this element of fraud and are obliged to guard against it by most stringent rules. This danger would, however, be much greater in unorganized departments of industry, where the pride and *esprit de corps* of members has not been developed to deter workmen from dishonorable acts which would burden their associates. Moreover, what is to be regarded as a proper explanation for non-employment? Suppose that the workman is unable to keep employment on account of bad industrial training!

In Dr. Schanz's discussions he takes up technical considerations which would not arise in a country where there is already a complicated system of insurance machinery. Among such considerations are the difficulties connected with the insurance of rural workmen, the insurance of women, the character of the administration, *etc.* Many minor difficulties arise here, but all of them may be passed by; the main difficulty is that of determining the worthiness or unworthiness of the applicant for insurance.

A consideration of the various objections leads the author to frame an independent plan which he terms "compulsory saving." The gist of this is that every employer should pay into the bank already established, the *Krankenkasse*, a certain specified sum, not less than thirty pfennigs a week, for each person employed by him. For artisans of the building trades dependent upon the seasons, the payment shall be on a different basis—say ten per cent of their wages. Of this amount the employer will pay some definite proportion, but the larger part is to be deducted from the wages of the workmen. After the end of the first year a low rate of interest may

be paid on the amounts thus compulsorily deposited; and if more than 100 marks have accumulated, the surplus above that amount may be freely drawn out by each workman on his bank book. One hundred marks, however, are reserved against the time of non-employment. Thus the workman has an interest to save that specified sum; after that he is free to do as he will with all his earnings. Such a plan would also provide an incentive for the workman to make special deposits. In case of non-employment, the reserve fund, if less than 70 m., may be drawn upon for 5 m. weekly; if from 70 to 100 m., for 7 m. weekly. The cost of the administration is to be borne by the state and the commune.

The advantages of this system of insurance are described in detail; and special emphasis is placed upon the enlistment of the workmen's interest, the avoidance of entanglement in case of strikes, and the freedom left to the workman in choosing a new position. Such a plan, moreover, would not burden those who are seldom without employment, or the more diligent and alert. Individualism is conserved. Nor is the success of this plan absolutely dependent, as in case of insurance projects, upon statistical data.

There is a considerable amount of statistical material gathered in this volume. There are also copious extracts from the rules of workmen's organizations concerning out-of-work and traveling benefits, and from the rules of employment bureaus. The criticism which Dr. Schanz has to make of the employment bureau as a method for alleviating the evils of non-employment, is very appropriate. Those who have followed the discussion of this question in Germany at all carefully are aware of the absurd emphasis that has been placed, during the past two or three years, upon the part that such bureaus are expected to play in constructive industrial reform in Germany. This has probably been due to the fact that they have not yet been experimented with so fully as in England and in this country, and that consequently their possibilities appear larger than they do to us. The employment bureau is a necessity, and is capable of doing much more than it does; but even in this country, it needs a thorough reorganization, and there are limitations, as Dr. Schanz clearly sees, to what it can finally do. Non-employment is not local. Adjustment of the labor supply must be made, if at all, over large areas; and here the employment bureau can play but a limited part. Finally, the employment bureau cannot meet the needs of those who are engaged in seasonal occupations.